

AR79



THE CANADIAN CREDIT MEN'S ASSOCIATION LIMITED



1963 ANNUAL REPORT





## HIGHLIGHTS

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Membership at February 28, 1963—3,605, increase over last year of 2.47%.

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'The Highway of Credit' Audio-Visual and Brochure given wide circulation.

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Credit Interchange Reports increase to 1,224,335—a rise of 159,294 over previous year.

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13,611 attend Industry Credit Group Meetings.

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Collection Departments recover \$1,812,090.99—an increase of \$267,178.52 over last year.

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New high of 743 in student enrollment in Credit Management Course.

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The Canadian Credit Institute sets up Library of Credit Reference.

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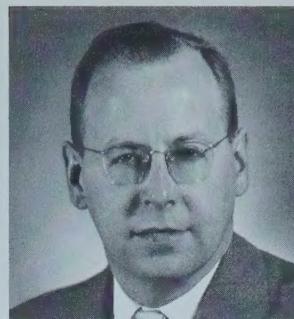
First Seminar on Financial Statement Analysis by The Canadian Credit Institute and Quebec Division.

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## DIRECTORS



Vice-President, Wm. RUSHTON,  
*Gault Bros. Limited,*  
*Vancouver, B.C.*



Vice-President, G. WISHART,  
*Burns & Co. Limited,*  
*Winnipeg, Man.*



G. E. ROBERTS,  
*Motor Car Supply Co. of*  
*Canada Ltd., Calgary, Alta.*



YVAN BEAUSÉJOUR,  
*United Auto Parts Limited,*  
*Montreal, P.Q.*



A. L. IRWIN,  
*Canada Wire & Cable Co. Ltd.,*  
*Toronto, Ont.*



J. GAME,  
*General Films Limited,*  
*Regina, Sask.*



G. O. BOSTROM,  
*Canada Packers Limited,*  
*Edmonton, Alta.*



J. MEAD,  
*Marshall Wells of Canada Ltd.,*  
*Saskatoon, Sask.*

# PRESIDENT'S REPORT



President, M. G. SMITH,  
*Imperial Oil Limited, Halifax, N.S.*

The 53rd Annual Report of your Association records a further growth in our activities that is most encouraging. These are enumerated as follows:

## Membership

During the year a net increase of 87 members brought the total on February 28, 1963, the end of our fiscal year, to 3,605—an increase of 2.47% over the preceding year.

Our membership gains in the past five years are equal to 28.8%. All members are encouraged to assist in membership growth, thus providing more sources of information.

## Credit interchange

This important department is being dealt with in great detail in a specially prepared section of this report (see page 10). I urge that you study it carefully so you may take full advantage of these facilities. You will find them beneficial in controlling your outstanding accounts receivable.

## Industry credit groups

This vital service recorded excellent gains during the year. A total of 1,483 meetings were held in all of our Divisions and these were attended by 13,611 Credit Managers or their assistants. This compares with 1,260 meetings and 12,419 attendance for the previous year. The information exchanged at these meetings is invaluable for the proper control of accounts receivable. Our members are urged to see that their Credit Department is

represented at every meeting of their Industry Credit Group.

## District and monthly meetings

There was a slight decline during the year in the number of monthly meetings held compared to the previous year, and a corresponding decline in attendance. In all, 295 meetings were held in all Divisions with a total attendance of 8,488. Those who made a point of attending were well repaid in hearing experts on a wide range of pertinent subjects.

## Collection department

Your Association maintains Collection Departments in eleven offices from Moncton, N.B. to Victoria, B.C. During the year these handled a record number of 14,892 claims on which they collected \$1,812,090.99—49% of the dollar value of all claims received in the period was collected. Most of our offices experienced an influx of claims in the last months of the fiscal year. As a result, we are carrying over into the new year a large number of claims on which further recoveries will be made. Our offices wrote 11,114 'Special Letters' compared with 9,623 for the previous year. These letters are usually written for members when accounts reach the 90 days outstanding point, and have proven to be one of the most valuable collection tools provided by the Association for its members. Each letter is a typed original and is personally signed, and the results are reported to average between 60% and 80% collection with some members reporting in excess of 90% recovery. It must be remembered that these letters are not used until the member has exhausted his own series of collection letters.

Towards the close of the year we completely redesigned our 'Free Demand Drafts' which is Step No. 3 of our collection system. This provides an extra copy to be mailed directly to the debtor. Reports from our members indicate an expected rise in the already 60% effectiveness of this method of collection. These Drafts are available in French and in English.

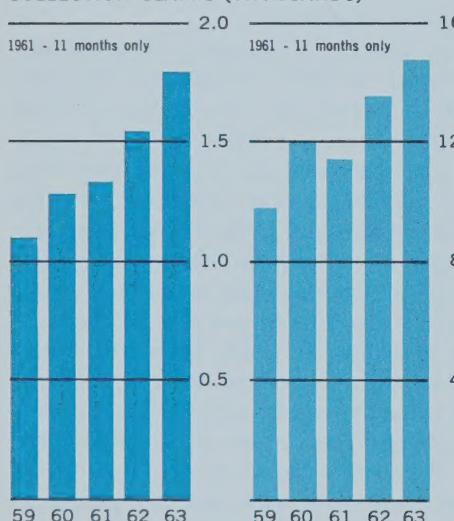
Our members continue to use our series of collection stickers which are attractively printed in both French and English. These can be affixed to the 30- and 60-day past due statements and bring excellent results.

## ASSOCIATION MEMBERSHIP



## AMOUNTS COLLECTED (MILLIONS OF \$)

## COLLECTION CLAIMS (THOUSANDS)



## GROSS NATIONAL PRODUCT (BILLIONS OF \$)

## DEFALTED LIABILITIES (CENTS PER \$100.00 OF GROSS NATIONAL PRODUCT)



## Adjustment bureau

Your Association has 402 estates under administration. This is a reduction from the 456 estates at the close of last year, and correspondingly we have reduced our Trust Funds under administration to \$1,100,186 from \$1,383,220 a year ago. While most of our Divisions no longer accept administrations of bankrupt estates, our interest in this work continues as an important service to the Credit Manager.

Bankruptcies during the last few years have been running at what we consider to be a high annual rate and your Association has also noted an increase in fraudulent bankruptcies. As a result, it has made representation to the Minister of Justice by submitting a brief on part VIII of the Act. In spite of changes which have occurred in Government and in Cabinet Ministers responsible for the Justice Department, persistent pressure is being maintained to have the necessary revisions to this section of the Act made law.

Commercial Failures for the year ended December 31, 1962 were 3,185 an increase over the 2,659 registered during the previous year. Defaulted liabilities also increased to \$147,452,000 from \$116,520,000 in 1961. Wage earner failures are also on the increase, up from 890 in 1961 to 1,192 in 1962.

Proposals under the Bankruptcy Act remained almost constant—592 in 1962—590 in 1961. Your Association maintains at its Head Office a full-time staff member who is constantly available to assist our membership on any problem cases in which they are involved. We solicit your co-operation in reporting to our National Adjustment Bureau Manager at Head Office any cases where you believe fraud or glaring irregularities have occurred.

## Publications

'Viewpoint', the quarterly publication of the Association, continues to maintain its high standards. The mailing list includes all Credit Managers of member companies and the financial executives to whom they report. It is also mailed to a select list of newspapers and financial publications in all parts of Canada. Each issue features a topic of national interest written by an expert in that specific field.

'Credit Management Review'—a new publica-

tion, was introduced in January, 1963 and already has a firmly established reader acceptance. It contains articles of particular interest to the Credit Manager, dealing with the many facets of his daily function.

We are gratified that it has been necessary to increase our overrun of both publications in order to satisfy many requests for additional copies, and also to find that in the case of 'Viewpoint' certain issues have been reprinted in their entirety by newspapers and business publications.

'The Highway of Credit.' During the year the Sales and Service Department presented its new colored audio-visual 'The Highway of Credit' to audiences in every Division, and distributed many copies of the attractive companion brochure.

## Credit education

The Canadian Credit Institute has made tremendous strides in the past year. Student enrollment in its three-year course in Credit Management reached a new high of 743, up from 682 a year ago. More and more member companies when advertising for credit personnel, are stipulating that preference will be given to those holding the M.C.I. designation of the Institute. They know that, apart from the three-year course supervised by the Extension Division of the University of Toronto, these diploma holders have also had at least five years of practical experience in credit work. No certificates are granted until satisfactory proof of this experience has been submitted.

## Library of credit reference

During the year the Institute branched into a completely new field by setting up a library of credit references. The library's first booklet, 'Types of Security Available to Credit Managers' is fast approaching a second printing, while a second booklet 'Condensed Laws of Business for Credit Managers' is selling even faster. Several others are being researched and will be offered in the near future.

## Seminar on financial statement analysis

The Institute ran its first seminar in co-operation with the Quebec Division of the Association on 'Financial Statement Analysis'. This was very well attended and further seminars

are being planned in other parts of Canada for the immediate future. All lecturers are chartered accountants and the course has been designed to emphasize Financial Statement Analysis for credit granting purposes.

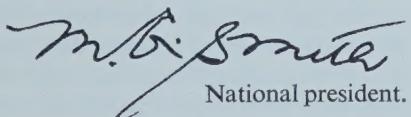
#### **Credit women's groups**

Four active Credit Women's Groups operate in Montreal, Toronto, Vancouver, and Victoria. Not only is their work of great interest to a growing number of ladies in Credit Management, but as an important part of their work they unselfishly provide stimulation to our educational programs by offering scholarships and awards. Members in these areas should encourage their ladies in credit work to become identified with these groups.

The records established by the Company in 1962, continuing the pattern of steady growth over the years, reflect the quality of our staff. To them I offer my sincere congratulations and thanks.

My thanks are also extended to our national Board of Directors, to Divisional Presidents, to Boards of Governors and Standing Committees. I particularly want to thank our General Manager, E. T. C. Burke, and W. Murray MacDougall, our Secretary and Treasurer, for the excellent assistance they have given me throughout the entire year.

Respectfully submitted,



National president.

## **RAPPORT DU PRÉSIDENT**

Le 53e rapport annuel de notre association fait état d'une croissance soutenue qui est fort encourageante. Voici les faits saillants de l'année :

#### **Nombre des membres**

Au cours de l'exercice terminé le 28 février 1963, le nombre de nos membres a accusé une augmentation nette de 87, portant le total des membres à 3,605, soit un gain de 2.47 pour cent en regard de l'exercice précédent.

Le nombre des membres de l'association a augmenté de 28.8 pour cent au cours des cinq dernières années. Tous les membres sont invités à recruter de nouveaux membres afin de multiplier les sources de renseignements dont nous disposons.

#### **Echange de rapports de crédit**

Le fonctionnement de cet important service fait l'objet d'une description très détaillée dans une section de ce rapport préparée spécialement à cette fin (voir page 10). Je vous invite à lire très attentivement cette section afin de profiter au maximum des avantages que vous offre ce service. Vous y trouverez des renseignements qui vous aideront à suivre de près vos comptes recevables en souffrance.

#### **Réunions des administrateurs de crédit**

Ce service essentiel a réalisé des gains fort appréciables au cours de l'exercice. Un total de 1,483 réunions ont été tenues dans toutes nos divisions et 13,611 directeurs de services de crédit ou leurs adjoints y ont assisté. L'année précédente, nous avions tenu 1,260 réunions qui avaient attiré 12,419 représentants. Les échanges de renseignements auxquels ces réunions donnent lieu sont d'une aide inestimable dans la relance des comptes recevables. Nos membres sont invités à veiller à ce que leur service du crédit soit représenté à chacune des réunions de leur groupe.

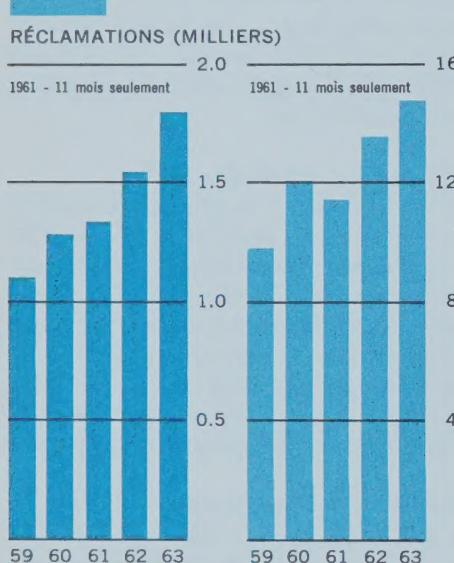
#### **Réunions régionales mensuelles**

Le nombre des réunions mensuelles tenues l'an dernier a été légèrement inférieur à celui de l'année précédente et il en a été de même pour la participation à ces réunions. En tout, 295 réunions furent tenues dans l'ensemble des divisions, attirant 8,488 membres. Ceux qui se sont fait un devoir d'assister à chacune des réunions de leur division ont eu l'avantage d'entendre des experts les entretenir de sujets qui les intéressent de près.

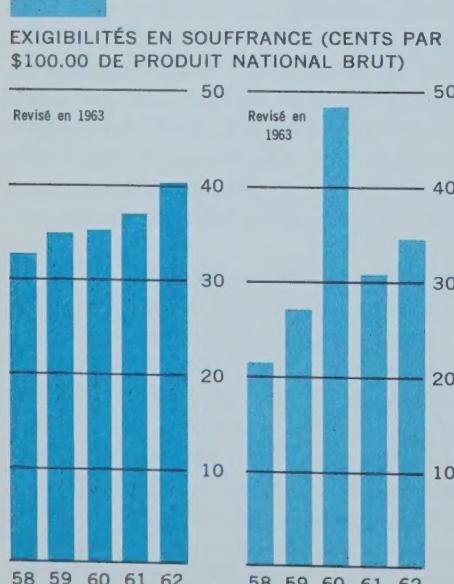
## NOMBRE DES MEMBRES DE L'ASSOCIATION



## MONTANTS PERÇUS (MILLIONS DE \$)



## PRODUIT NATIONAL BRUT (MILLIARDS DE \$)



## Service de la perception

Notre association a des services de perception dans onze villes allant de Moncton (N.-B.) à Victoria (C.-B.). Au cours de l'année, ces bureaux se sont occupés d'un nombre record de 14,892 réclamations et ont perçu la somme de \$1,812,090.99, soit 49 pour cent de la somme d'argent que représentaient ces réclamations. La plupart de nos bureaux ont reçu une foule de réclamations au cours du dernier mois de l'exercice financier. Comme résultat, nous commençons l'année avec un grand nombre de réclamations en vertu desquelles des sommes supplémentaires seront perçues. Nos bureaux ont adressé 11,114 *lettres spéciales* en comparaison de 9,623 l'année précédente. Ces lettres sont adressées de la part des membres dont les clients ont des comptes en souffrance depuis plus de 90 jours et elles se sont avérées l'une des plus précieuses aides à la perception que l'association apporte à ses membres. Ces lettres sont tapées et signées séparément et l'on rapporte qu'elles se sont révélées efficaces dans une proportion variant de 60 à 80 pour cent; certains membres signalent même une efficacité excédant 90 pour cent. Ces lettres ne sont envoyées qu'après qu'un membre a épousé sa série personnelle de lettres de perception.

Vers la fin de l'exercice, nous avons complètement modifié notre *lettre-type gratuite* qui constitue la troisième étape de notre système de perception. Ce service prévoit une copie supplémentaire adressée directement au débiteur. Selon les rapports soumis par les membres, on s'attend que le taux d'efficacité de ce système dépasse le niveau actuel de 60 pour cent. Les membres peuvent obtenir ces modèles de lettres en français ou en anglais.

Nos membres continuent de faire grand usage de notre série de collants de perception qui sont très bien imprimés en français et en anglais. Ces collants, qui peuvent être fixés aux avis d'arriérés de 30 et 60 jours, donnent d'excellents résultats.

## Bureau de règlement

Notre association administre présentement 402 successions alors qu'elle en administrait 456 à la fin de l'an dernier. Conséquemment, le fonds que nous administrons en fiducie, qui était de \$1,383,220 il y a un an, a été réduit à \$1,100,186. Bien que la plupart de nos

divisions n'acceptent plus d'administrer les successions de faillites, l'association continue de s'intéresser à ce genre de travail afin de fournir un service précieux aux directeurs de services de crédit.

Depuis quelques années, les faillites ont atteint un nombre annuel que nous considérons élevé et l'association a constaté également une augmentation du nombre des faillites frauduleuses. En conséquence, elle a fait des démarches auprès du ministre de la Justice en soumettant un mémoire concernant la section VIII de la Loi. En dépit des changements de gouvernement et des ministres du cabinet responsables de l'administration de la Justice, on continue de faire pression afin que les modifications qui s'imposent soient apportées à cette section de la Loi.

Les faillites commerciales se sont chiffrées au cours de l'année terminée le 31 décembre 1962 par 3,185 en comparaison de 2,659 l'année précédente. Les exigibilités en souffrance ont également augmenté, atteignant la somme de \$147,452,000 alors qu'elles étaient de \$116,520,000 en 1961. Les faillites personnelles sont aussi en augmentation puisqu'elles sont passées de 890 en 1961 à 1,192 en 1962.

Le nombre des propositions faites en vertu de la Loi sur les faillites est demeuré presque constant, soit 592 en 1962 et 590 en 1961. Notre association compte à son siège social un employé permanent aux services duquel les membres peuvent constamment faire appel lorsqu'ils sont en présence d'un problème difficile à résoudre. Nous vous demandons de collaborer avec nous en portant à l'attention du directeur de notre Bureau national de règlement, au siège social, tout cas dans lequel vous croyez qu'il y a eu fraude ou irrégularités graves.

## Publications

'Viewpoint', la publication trimestrielle de l'association, continue d'être rédigée selon les plus hautes normes de qualité. La liste des personnes auxquelles elle est adressée comprend tous les chefs des services de crédit des compagnies membres ainsi que les directeurs financiers dont ils relèvent. Elle est également envoyée à un groupe sélectionné de journaux et de publications financières à travers tout le Canada. Chaque numéro comporte un article de fond d'intérêt national par un expert dans le domaine en cause.

'Credit Management Review', une nouvelle publication lancée en janvier dernier, a été très bien accueillie et compte déjà de nombreux lecteurs. Elle présente des articles d'un intérêt particulier pour les directeurs des services de crédit, et traitant des nombreux aspects de leurs fonctions quotidiennes.

Nous sommes heureux de constater qu'il est devenu nécessaire d'accroître notre tirage de ces deux publications pour satisfaire aux nombreuses demandes d'exemplaires supplémentaires. Dans le cas de 'Viewpoint', il est encourageant de noter que certains numéros ont été entièrement reproduits par quelques journaux et publications d'entreprises.

'The Highway of Credit' Au cours de l'année, notre section ventes et services a projeté ce nouveau film sonore en couleurs à de nombreux auditoires dans chaque division et a aussi distribué de nombreux exemplaires de l'attrayante brochure qui le complète.

#### **L'enseignement du crédit**

Le Canadian Credit Institute a fait des progrès énormes au cours de la dernière année. L'inscription aux cours d'administration du crédit, d'une durée de trois ans, s'est chiffrée par 743, un nouveau record, alors qu'elle était de 682 il y a un an. Un nombre sans cesse croissant de compagnies, lorsqu'elles demandent du personnel pour leur service de crédit, insistent sur le fait que les détenteurs de certificats du M.C.I. auront la préférence. Elles savent qu'en plus d'avoir suivi un cours de trois ans approuvé par la Division des cours de perfectionnement de l'université de Toronto, ces postulants comptent au moins cinq années d'expérience dans le domaine du crédit. Aucun certificat n'est émis avant que l'étudiant n'ait fait la preuve qu'il possède une telle expérience.

#### **Bibliothèque spécialisée**

Au cours de l'année, l'Institut s'est lancé dans un domaine tout à fait nouveau en montant une bibliothèque spécialisée dans ce qui a trait au crédit. La première brochure de ce service, *Types of Security Available to Credit Managers*, fera bientôt l'objet d'une 2e édition tandis que la deuxième brochure, *Condensed Laws of Business for Credit Managers* s'enlève encore plus rapidement. On poursuit présentement des recherches dans d'au-

tres domaines dont les résultats seront bientôt mis à la disposition des membres.

#### **Colloque sur l'analyse des états financiers**

L'Institut a tenu son premier colloque en collaboration avec la division du Québec de l'association; le sujet traité fut *l'analyse des états financiers*. Cette réunion a attiré de nombreux participants et l'on prévoit en tenir d'autres bientôt dans diverses parties du pays. Les conférenciers sont des comptables agréés et les communications ont été conçues de façon à mettre l'accent sur l'étude des états financiers en fonction du crédit à consentir.

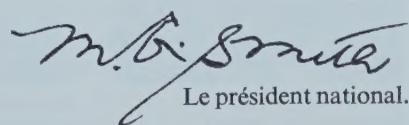
#### **Les groupes féminins**

On compte quatre groupes féminins très actifs, soit un au Québec, un en Ontario, un à Vancouver et un à Victoria. Non seulement leur travail est-il d'un grand intérêt pour le nombre sans cesse croissant de femmes qui travaillent dans le domaine du crédit, mais encore une partie importante des activités de ces groupes est absolument désintéressée, puisqu'elle consiste à stimuler nos programmes d'éducation au moyen de prix et de bourses. Nous invitons les compagnies membres dans les régions mentionnées ci-dessus à encourager les employées de leur service de crédit à faire partie de ces groupes.

Les records établis en 1962 prolongent le mouvement de croissance soutenue établi depuis de nombreuses années et reflètent la qualité de notre personnel. Je remercie sincèrement tous les employés en leur offrant mes plus vives félicitations.

Je tiens également à remercier notre conseil national d'administration, les présidents des diverses divisions, les bureaux de gouverneurs et les membres des comités permanents. Je désire tout particulièrement remercier notre directeur général, M. E. T. C. Burke, et notre secrétaire-trésorier, M. W. Murray MacDougall, de l'excellent appui qu'ils m'ont accordé durant toute l'année.

Respectueusement soumis,



Le président national.

## DIVISIONAL PRESIDENTS OF BOARDS OF GOVERNORS



B. S. BAILEY,  
*Moir's Limited,*  
*Halifax, N.S.*



D. H. FOGG,  
*Crane Canada Limited,*  
*Montreal, P.Q.*



JOHN CLUNIE (deceased),  
*Kimberly-Clark Canada Ltd.*  
*Toronto, Ont.*



N. S. BARTON,  
*General Steel Wares Ltd.,*  
*Winnipeg, Man.*



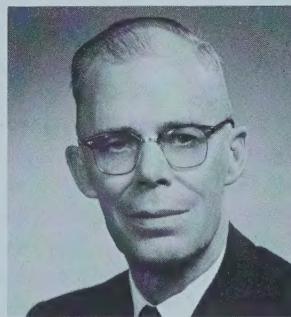
L. GARRETT,  
*Macdonalds Consolidated Ltd.,*  
*Regina, Sask.*



R. BARCLAY,  
*Merlin Motors Limited,*  
*Saskatoon, Sask.*



S. E. MURRAY,  
*Taylor, Pearson & Carson*  
*(Calgary) Ltd., Calgary, Alta.*



K. W. CARSADDEN,  
*Anglo-American Exploration Ltd.,*  
*Edmonton, Alta.*



W. J. PETERS,  
*White & Peters Ltd.,*  
*Vancouver, B.C.*



STEVEN S. CUMMINGS, MCI,  
*Calgary, Alta.,*  
*Pres., The Canadian Credit Institute*

# REPORT OF THE GENERAL MANAGER

The growth of your Association, which is reflected in the President's report dealing with our various departments and services, is confirmed in the financial operations for the fiscal year.

Operating revenues continue to grow. This year they were \$1,194,495, which exceeds last year's figure of \$1,108,307. This represents a 7.7% increase in revenue. It will be noted that membership fees, collection fees, commissions on administration of estates and other revenues, are all individually higher than a year ago.

Expenditures for the year were correspondingly higher, an expected result of a growing membership. These amounted to \$1,190,469, resulting in an operating surplus of \$4,026 compared with \$3,052 for last year. This increases the retained surplus for the continuation of the Association's services to \$24,468.

The gradual withdrawal of the Association from activities in the administration of bankruptcies is reflected in the decline of estates and trust funds under administration. These will continue to decline as estates are closed out and distributions are made to the creditors involved.

A review of the Balance Sheet shows our assets at \$504,947—up from \$426,691 a year ago.

What is most gratifying to us is the fact that our current assets continue to increase. The ratio of current assets to current liabilities stands at 4.3 to 1. This is down from the previous year, resulting from an increase in accrued charges.

Last year, you will remember, the auditors made a notation to the effect that litigation was pending in respect to certain charges resulting from a bankruptcy administration. Adequate provision has been made on our Balance Sheet for this liability and is reflected in Deferred Charges. (Since the year end, arbitration has been concluded and a settlement made.)

We have written off \$6,250 of the asset formerly carried in connection with the value of our clearing house files. In spite of the tremendous value of these files to our members, they have now been completely amortized, to comply with sound accounting practice.

The liability shown for unexpired membership fees, while up over the previous year,

is actually an improvement as it will be seen that this amount is exceeded by total current assets which was not the case last year.

The finances of your Association are in excellent condition as we enter a new fiscal year during which time we will continue our efforts to expand our services, and in so doing will make the Association more valuable to the Credit Managers of its shareholders.

My thanks is extended to our National President, Mr. M. G. Smith, and to the Board of Directors for their help and assistance during the year. The growth of the Association in the past decade, coupled with the constant shifting economy as the nation expands its business activities, presents many problems to an organization dedicated to the protection of such an important asset to our members as their accounts receivable. In meeting these problems, the counsel and advice of the Board of Directors has been invaluable.

Again this year our Divisional Managers and the members of our staff in each office have worked hard to provide maximum service, and to them I extend my sincere thanks for their contribution to the excellent result.

The Divisional Presidents, Boards of Governors and Standing Committees who have met regularly during the year are to be commended on their interest in the continued growth of the Association's activities.

Respectfully submitted,



General manager.

# CREDIT INTERCHANGE

The most comprehensive service of its kind available to the Canadian Credit Manager.

Of all the allied fields of endeavour in which The Canadian Credit Men's Association Limited is involved, none is more vital to the Credit Manager than the work of the Credit Interchange Department. Since this was instituted in 1910, its importance has increased steadily with each passing year. Today, in fact, the Montreal Credit Interchange Department, has become the largest operation of its kind on the North American continent. The work of the four Credit Interchange Centres—Montreal, Winnipeg, Calgary and Vancouver—involve the use of the latest telecommunication facilities, statistical research and alphabetical and numerical systems. Each day the work of the Montreal Department alone requires a total of over 1,900 mailings to Credit Managers in the Atlantic Provinces, Quebec, and Ontario to the Lakehead.

The system works with amazing smoothness. For example, in the case of a Credit Manager member of CCMA in Toronto who sends a query via telex to Montreal requesting credit information about a particular company, action begins on receipt of his query. (Many members, of course, mail or telephone their queries.)

If an inquiry or report has ever been made about the company, approximately 700,000 files maintained by the Montreal office together with those in other CCMA offices will have a record of it together with the names of the interested members.

First, the general file is checked for information that is current to 90 days. If the information is no more than 90 days old the inquiring Toronto member can be advised at once. However, if the information is from 91 days to a year old the available file information is forwarded and the member is advised that a new report will be compiled.

Then the member's query, along with others from the members which have also been received, is typed on a 'Daily Inquiry Sheet'. This is circulated at the end of the day to all CCMA members served by the Interchange office with a request for credit information.

The information provided is up-to-date, and does not consist merely of past history. In the event that CCMA does not receive the requested information from its members, it endeavours to secure it by mail or personal

contact from sources outside the membership.

Most information is provided within a comparatively short space of time. Thus, on the average, eight working days elapses between receipt of the member's query and mailing current information to him. In special local situations, it is even possible to provide information within times ranging from half-an-hour to several hours.

Once all answers to the queries have been received, a complete Credit Interchange Report is prepared and dispatched to the inquiring member. In addition all members who provided requested information receive copies of this Report which is then mailed to all CCMA offices for their files.

Although Credit Interchange Reports are usually prepared specifically for an inquiring member, they are also, on occasion, prepared for Industry Credit Groups which request a report on a debtor. Perhaps a Report on this same debtor has already been processed recently in answer to a member inquiry. Nevertheless, a new Report is requested and Daily Inquiry Sheets are again sent to all members.

Interchange Reports periodically also provide special information on such matters as changes in partnerships, retirement of owners from business, court information concerning writs and judgments, etc.

It is estimated that 15-30 minutes per day is all that is required for any Credit Manager to check over the 'Daily Inquiry Sheet' and dispatch the requested information to the Credit Interchange Department requesting it.

In connection with the Interchange Reports, in order to simplify matters, the Eastern Divisions are divided into two classifications—hard and soft goods. In the specific case of the Atlantic Division, it has a special Inquiry Sheet as inquiries in this area are usually local in character. In the case of a national company, of course, it is quite possible to have a 'Daily Inquiry Sheet' sent to all CCMA members across Canada.

How well does the system work? Every indication points to a high degree of success which stems from the complete co-operation of members in reporting, giving and receiving information. This makes unnecessary the use of special representatives assigned to obtain the details on a specific location. In effect,

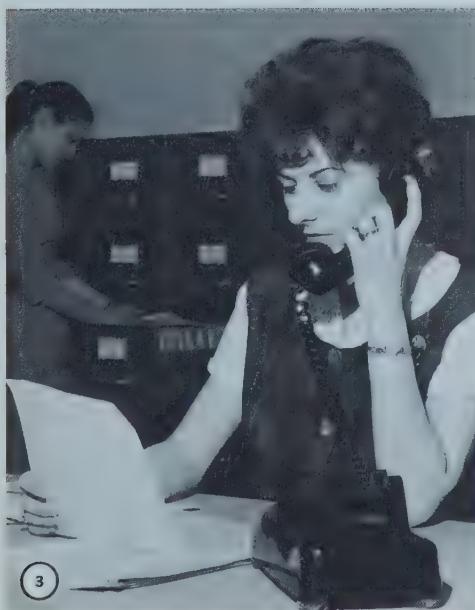


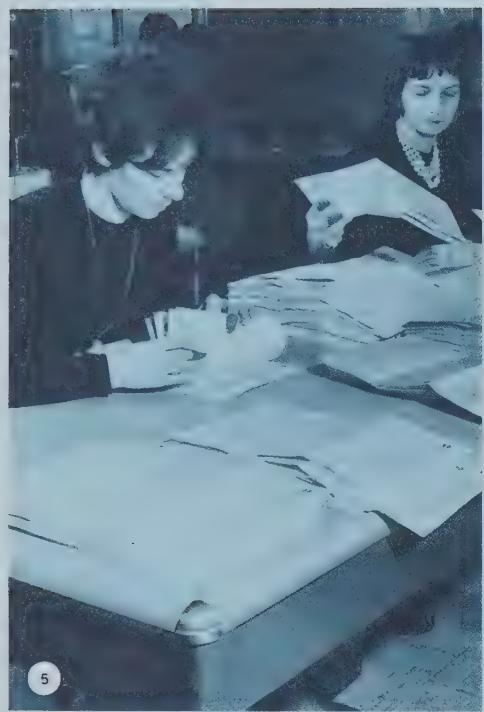
**1** Contemporary styling and modern decor in the reception area of the CCMA office in Montreal, breathe an atmosphere of quiet competence and service.

**2** A CCMA member calls the Credit Interchange Department asking for credit information on a company.

**3** Fast Credit reports are also obtained by telephoning the Credit Interchange Department.

**4** The modernly equipped Credit Interchange Department at CCMA's Montreal office where approximately 700,000 files are maintained by the Montreal office while CCMA's three other Credit Interchange centres also have extensive banks of files.





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**5 Daily Inquiry Sheets being sorted for mailing to CCMA members in order to obtain up-to-date information. During the fiscal year 872,555 Daily Inquiry Sheets were mailed out from Montreal, Winnipeg, Calgary, and Vancouver.**

**6 Preparation of Credit Interchange Reports follows receipt of answers to all queries.**

**7 The Multilith Department where copies of Credit Interchange Reports are printed for distribution to inquiring members and all members who provided information.**

**8 Department personnel at work in the mailing, sorting and collating room.**

**9 Here the inquiring member receives his Credit Interchange Report with the information he requested.**

each CCMA member in a community becomes a reciprocal reporter, and all information provided is first-hand and up-to-date.

But let the record speak for itself. This reveals that in the fiscal year ended February 28, 1963, Credit Interchange Reports totalled 1,224,335 as against 1,065,041 the year before. These were made up, as Table No. 1 shows:

TABLE NO. 1

**Credit interchange reports**

Office	Number
Moncton	24,930
Montreal	267,348
Toronto	199,224
Winnipeg	95,118
Regina	8,860
Saskatoon	11,213
Calgary	55,903
Edmonton	89,640
Vancouver	472,099

During the year, CCMA members made 186,425 direct inquiries for Reports. This was equal to 92% of the Reports which the Credit Interchange Department contracted to supply. This compares very favourably with the previous year's corresponding figures of 180,546 direct inquiries or 87% of the contracted number.

Special Financial Reports supplied during the year totalled 576, compared with 663 last year.

Of the reports supplied, 40,174 were in date and could be supplied immediately. This is equal to 21.5% of all inquiries. Last year the figures were 37,739 or 20.8%.

Pertinent data on Daily Inquiry sheets mailed to members and returned, appears in Table No. 2 which follows:

TABLE NO. 2

**Daily inquiry sheets**

Divisions	Mailed	Percentage Returned
Atlantic	29,931	53.70%
Quebec	243,343	61.88%
Ontario	229,650	48.89%
Manitoba	48,506	74.70%
South Sask.	18,331	48.87%
North Sask.	15,517	73.07%
South Alberta	44,853	79.72%
North Alberta	44,759	65.69%
British Columbia	197,665	57.57%
Total	872,555	56.70%

For the corresponding period last year, 863,544 sheets were mailed to members of which 490,180 or 56.76% were returned. This is equivalent to a 2.2% increase in the co-operation of members. Actually, the increase in the number of daily sheets returned by members during the fiscal year increased the average number of lines per report to 6.6% compared to 6.3% for the previous year.

Items of special information for the daily sheets for the year totalled 27,038 as against 28,582 in 1962. A total of 1,046,492 reciprocal Reports (which are issued free to members for every line of information they contribute on the inquiry sheets) were provided during the year, compared with 902,993 the year before. Table No. 3 following, details how these were apportioned:

TABLE NO. 3

**Reciprocal reports**

Office	Number
Moncton	21,681
Montreal	212,638
Toronto	160,721
Winnipeg	82,177
Regina	7,159
Saskatoon	9,520
Calgary	47,206
Edmonton	77,238
Vancouver	428,152

The general upward trend in activity during the year is indicative of the increasing need which Credit Managers feel for reviewing the paying habits of their customers. The Credit Interchange Department plays a vital role in providing valuable information to Credit Managers, allowing them to turn over their accounts receivable faster, thereby reducing the possibility of bad debt losses.

THE CANADIAN CREDIT MEN'S ASSOCIATION LIMITED

## BALANCE SHEET

as at February 28, 1963

(With comparative figures  
at February 28, 1962)

ASSETS	1963	1962
<b>CURRENT ASSETS</b>		
Cash.....	\$ 41,577	\$ 35,385
Short-term investments, at cost.....	171,944	100,526
Accounts receivable.....	130,184	104,522
Advances to estates.....	1,727	13,255
Supplies and prepaid expenses.....	28,620	35,060
Total current assets.....	<u>374,052</u>	<u>288,748</u>
Furniture and equipment, at cost less accumulated depreciation (1963 – \$143,697; 1962 – \$139,270) .....	105,049	105,143
Leasehold improvements, net of amortization.....	25,846	26,550
Clearing house files, net of amortization.....	—	6,250
	<u>\$ 504,947</u>	<u>\$ 426,691</u>
<b>LIABILITIES</b>		
<b>CURRENT LIABILITIES</b>		
Accounts payable and accrued charges.....	\$ 86,505	\$ 45,316
Unexpired membership fees.....	357,924	325,753
<b>CAPITAL AND RETAINED SURPLUS</b>		
<b>CAPITAL STOCK</b>		
Authorized, 10,000 shares at \$10 each		
Issued and fully paid, 3,605 shares.....	36,050	35,180
Retained surplus for continuation of the Association's activities .....	24,468	20,442
	<u>\$ 504,947</u>	<u>\$ 426,691</u>
Estate and trust funds under administration .....	<u>\$1,100,186</u>	<u>\$1,383,220</u>

Signed on behalf of the Board

M. G. Smith, *Director*.  
A. L. Irwin, *Director*.

**STATEMENT**

of operations and retained surplus  
for the year ended February 28, 1963

(With comparative figures  
for the year ended February 28, 1962)

**REVENUE**

	1963	1962
Membership fees .....	\$ 725,739	\$ 669,653
Collection fees .....	279,373	258,958
Commission on administration of estates .....	156,293	152,872
Other .....	33,090	26,824
	1,194,495	1,108,307

**EXPENDITURES**

Salaries and employee benefits .....	642,368	636,577
Occupancy—premises .....	82,580	76,604
Printing, stationery and postage .....	129,328	130,784
Other operating costs .....	298,954	228,135
Depreciation and amortization .....	37,239	32,955
	1,190,469	1,105,055
Net revenue .....	4,026	3,252
Retained surplus at beginning of year .....	20,442	17,190
Retained surplus at end of year .....	\$ 24,468	\$ 20,442

**AUDITORS' REPORT**

The Shareholders,  
The Canadian Credit Men's Association Limited.

We have examined the balance sheet of The Canadian Credit Men's Association Limited as at February 28, 1963 and the related statement of operations and retained surplus for the year ended on that date and have obtained all the information and explanations we have required. Our examination included a general review of the accounting procedures and such tests of the accounting records and other supporting evidence as we considered necessary in the circumstances.

In our opinion, and according to the best of our information and the explanations given to us and as shown by the books of the Association, the accompanying balance sheet and related statement of operations and retained surplus are properly drawn up so as to exhibit a true and correct view of the state of the affairs of the Association as at February 28, 1963 and the results of its activities for the year ended on that date in accordance with generally accepted accounting principles applied on a basis consistent with that of the previous year.

Toronto, Ontario,  
April 1, 1963.

*Frank Ross Bailey & Smart*  
Chartered Accountants.

*The Association is incorporated as a non-profit  
organization under The Companies Act—Canada and its net  
revenue is exempt from tax under The Income Tax Act.*

## MANAGEMENT



E. T. C. BURKE,  
General Manager,  
Toronto, Ont.



W. M. MACDOUGALL,  
Secretary and Treasurer,  
Toronto, Ont.



P. J. HOUGHTON, Manager,  
National Adjustment Bureau  
Services, Toronto, Ont.



J. E. SOMERS, Manager,  
Atlantic Division



P. H. LOUETTE, Manager,  
Quebec Division



J. Vien, Manager,  
Quebec City Office



N. F. RAMSAY, Manager,  
Ontario Division



J. HOWORTH, Manager,  
Manitoba Division



F. G. ENGLISH, Manager,  
South Saskatchewan Division



R. A. HOY, Manager,  
North Saskatchewan Division



R. C. DORWART, Manager,  
South Alberta Division



S. J. SPILLETT, Manager,  
North Alberta Division



J. P. SHEFFIELD, Manager,  
British Columbia Division



REAL TOPPING, Manager,  
Victoria Office



W. J. HAMBLY, Director,  
Educational Courses, The Canadian  
Credit Institute, Toronto, Ont.



MISS JESSIE ELLERY, Secretary,  
The Canadian Credit Institute,  
Toronto, Ont.

# SERVICES

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A national interchange of credit information through Credit Interchange Reports.

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Offices in fifteen cities coast to coast.

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Industry Credit Group Meetings of members for discussion of mutual credit problems.

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Rehabilitation of deserving businesses through co-operative effort of creditors.

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Credit education through The Canadian Credit Institute to promote status of credit personnel.

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Special reports on new businesses.

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Adjustment of difficult accounts.

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Collection Aids and Services.

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Representation at creditors' meetings.

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Administration of estates in bankruptcy.

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Business sales-protection provided for vendor, purchaser and creditors.

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Aid to members in the solution of unusual credit problems.

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Sponsors of Credit Conferences, Seminars, and Workshops for Credit Executives.

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Formation of National and Divisional Legislative Committees.

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Financial Statements obtained.

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Credit Research Surveys.

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**Offices:** Moncton • Chicoutimi • Quebec • Montreal  
Ottawa • Toronto • North Bay • Fort William • Winnipeg • Regina • Saskatoon  
Calgary • Edmonton • Vancouver • Victoria



FOUNDED 1910



## THE CANADIAN CREDIT MEN'S ASSOCIATION LIMITED

SIX CRESCE N T R O A D

T O R O N T O 5, O N T A R I O

T E L E P H O N E 9 2 4 - 8 4 6 1

May 24, 1963

TO THE SHAREHOLDERS

ANNUAL MEETING OF SHAREHOLDERS  
 ROYAL YORK HOTEL  
 TORONTO  
 MAY 14, 1963

The result of the ballot on By-law 100 with amendments as presented by Mr. George Wishart, was reported by Messrs. A. R. Cousins and A. H. Aggett, scrutineers, as follows:

For the motion	969
Against the motion	32
Total votes cast	1001

Following the scrutineers report an open discussion ensued as to the number of voted proxies under corporate seal and it was moved, seconded, and carried, that the Secretary advise all Shareholders the result of the ballot on this basis. Accordingly a recast of the ballots has been taken and the count is as follows:

For the motion	351
Against the motion	25
Total votes cast	376

Yours truly,

W. M. MacDougall  
 Secretary

